

103^D CONGRESS
1ST SESSION

S. 475

To amend the Internal Revenue Code of 1986 to permit penalty-free distributions from qualified retirement plans for unemployed individuals.

IN THE SENATE OF THE UNITED STATES

MARCH 2 (legislative day, JANUARY 5), 1993

Mr. DECONCINI introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Internal Revenue Code of 1986 to permit penalty-free distributions from qualified retirement plans for unemployed individuals.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PENALTY-FREE DISTRIBUTIONS FOR CERTAIN**
4 **UNEMPLOYED INDIVIDUALS.**

5 (a) IN GENERAL.—Paragraph (2) of section 72(t) of
6 the Internal Revenue Code of 1986 (relating to exceptions
7 to 10-percent additional tax on early distributions from
8 qualified retirement plans) is amended by adding at the
9 end thereof the following subparagraph:

1 “(D) DISTRIBUTIONS TO UNEMPLOYED IN-
2 DIVIDUALS.—Distributions made to an individ-
3 ual after separation from employment, if—

4 “(i) such individual has received un-
5 employment compensation for 12 consecu-
6 tive weeks under any Federal or State un-
7 employment compensation law by reason of
8 such separation, and

9 “(ii) such distributions are made dur-
10 ing any taxable year during which such un-
11 employment compensation is paid or the
12 succeeding taxable year.”

13 (b) EFFECTIVE DATE.—The amendment made by
14 this section shall apply to distributions on or after the date
15 of the enactment of this Act.

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